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Canada

Agricultural Situation

Wheat, Barley, Canola Down; Soybean Production

Up, Reports Statistics Canada

2002

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Report Highlights:

Crop conditions continued to deteriorate in western Canada since July. Rains and freezing temperatures delayed harvest and downgraded quality. Total 2002 wheat production is down 25% to 15.5 MMT, barley production is down nearly 30% to 7.7 MMT, corn is unchanged at 8.1 MMT, and canola is 33% down to 3.3 MMT. Soybean production for 2002 is up 41%, estimated at 2.3 MMT.

Includes PSD changes: No
Includes Trade Matrix: No
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Ottawa [CA1], CA

STATISTICS CANADA SEPTEMBER ESTIMATES OF 2002 PRINCIPAL FIELD CROPS

The following is based on Statistics Canada *Field Crop Reporting Series, No. 7, September Estimate of Production of Principal Field Crops*, released October 4, 2002.

Crop conditions continued to deteriorate in western Canada since July. Rains and freezing temperatures delayed harvest and downgraded quality. This report, based on farmers' mid-harvest estimates, shows wheat production remaining steady since Statistics Canada *July 31 Estimate of Production of Principal Field Crops* report, but barley, oat and field pea production is expected to be cut further. Canola production is expected to increase slightly from July's estimate.

Table 1: September Production Estimates

Crop	Area		Yield On Harvested kilograms per hectare	Production 2002 '000 metric tonnes	Production 2001 '000 metric tonnes	2001 to 2002 % Change
	Seeded	Harvested				
	'000 hectares					
Winter wheat	398.2	380.0	4,100	1,551.1	1,570.5	-1%
Spring wheat	7,752.7	6,291.6	1,600	10,309.8	16,010.2	-36%
Durum wheat	2,488.8	2,225.8	1,600	3,633.3	2,986.9	22%
All wheat	10,639.7	8,897.4	1,700	15,494.2	20,567.6	-25%
Oats	2,398.0	1,440.0	2,000	2,886.7	2,690.7	7%
Barley	5,147.1	3,549.6	2,200	7,677.5	10,845.6	-29%
Fall Rye	99.1	72.8	1,800	128.4	215.6	-40%
Spring Rye	16.2	4.0	1,100	4.4	12.2	-64%
All Rye	115.3	76.8	1,700	132.8	227.8	-42%
Corn for Grain (1)	1,229.0	1,198.8	6,800	8,156.4	8,116.0	0%
Canola	3,891.0	3,162.6	1,000	3,319.7	4,926.3	-33%
Soybeans (1)	974.7	970.7	2,300	2,255.1	1,594.1	41%
Flaxseed	692.0	673.8	1,000	703.6	715.0	-2%
Dry peas	1,296.9	1,081.7	1,300	1,377.9	2,023.0	-32%
(1) Ontario and Quebec only.						

After struggling with one of the worst droughts on record, western farmers encountered heavy rains and freezing temperatures in August and September. Second growth in fields was widely

reported. Some seeds waiting to be harvested sprouted, rendering them useless for any purpose other than for animal feed. Other cereal grains were stained or bleached by the rain, making them less suitable for milling and decreasing their value. During this type of weather, plants do not dry, delaying harvest and increasing the probability of frost damage.

Wet fields made it difficult to operate the heavy trucks and combines used to harvest the crops. Harvest is well behind normal and western Canada has already experienced freezing temperatures. The longer this delay occurs, the greater the likelihood of even lower production and quality.

The rains have helped to restore soil moisture reserves and pasture conditions. More will be needed, but the rain so far gave some optimism for the 2003 crop year.

Barley Takes Another Hit

Barley production lost approximately 205,000 metric tonnes (MT) since the July report. Production decreased to 7.7 million metric tonnes (MMT) as a result of a small loss in yield and a further reduction in harvested area.

The barley yield is now estimated at 40.2 bushels per acre, down 0.4 bushels from July and well below the 10-year average of 55.3 bushels. Harvested area fell by 140,000 acres since the July report to 8.8 million acres. Harvested acreage represents only 69% of seeded acreage in 2002.

Production losses were shared by the three Prairie provinces. Manitoba and Saskatchewan lost 50,000 and 100,000 acres to be harvested respectively; yields were mostly unchanged from the July report. Alberta yields decreased 1.0 bushel to 39.7 bushels per acre.

Field Pea Production Withers

Dry field pea production dropped to 1.4 MMT, down from 2.0 MMT in 2001 and 2.9 MMT in 2000. Drought conditions cut yields from 23.4 bushels per acre in 2001 to 18.9 bushels, the lowest yield since 1988.

Oat Production Worsens

Poor growing conditions have cut 140,000 tonnes from the 2002 oat production since the July report, bringing the September estimate to 2.9 MMT. The reduction was attributed to a decline in yield and harvested area. Yields fell 1.2 bushels from July to 52.6 bushels per acre. The 10-year average is 64.3 bushels. The harvested area lost nearly 100,000 acres since July, similar to the situation for barley. This loss in harvested acreage was found entirely in Saskatchewan.

Of the 2.6 million oat acres seeded in Saskatchewan, only 1.6 million will be harvested for a ratio of 62%. However, this is still better than Alberta, which seeded 1.7 million acres but will only harvest 500,000 acres for a ratio of 29%.

Manitoba and Alberta both reported decreases in yields. Manitoba reported a yield of 65.0 bushels per acre, down 3.0 bushels from July but up from the 2001 yield of 60.6 bushels. Alberta

yields were down 2.0 bushels from July to 46.0 bushels per acre, compared with 64.0 bushels in 2001.

Canola Production Cut from 2001

Canola production increased 3% from the July report to 3.3 MMT, but this was still 33% less than in 2001. Although the harvested acreage decreased by nearly 100,000 since the July report, yields in Alberta and Manitoba were slightly better.

Manitoba yield estimates increased 1.6 bushels to 25.6 bushels per acre, compared with 26.3 bushels per acre in 2001. Alberta yield estimates rose 0.6 bushels from July to 16.9 bushels per acre, compared with 27.0 in 2001. Summer rains reportedly benefitted the later-seeded crops, which resulted in the improved yield.

Wheat Production Down from 2001

Weather conditions through August and September downgraded the quality of the crop, but production was unchanged from the July report. Total wheat production is estimated to be 15.5 MMT, down 25% from 20.6 MMT in 2001. This is less than half of the record production of 32.1 MMT set in 1990.

Spring wheat production was estimated at 10.3 MMT, up approximately 100,000 tonnes from the July report. Yields were up a marginal 0.2 bushels from July to 24.4 bushels per acre, compared with the 10-year average of 33.1 bushels. Harvested acres were unchanged from July at 15.5 million acres.

Durum production was down nearly 50,000 tonnes from July to 3.6 MMT. The decrease resulted from an additional 100,000 acres being abandoned in Saskatchewan. The durum yield of 24.3 bushels per acre was up from the drought reduced 21.8 bushels in 2001 but well below the 10-year average of 31.4 bushels.

Corn Production up Slightly

Although eastern Canadian farmers have fared better than their western counterparts, growing conditions have been excessively hot and dry throughout the season. Corn production in Quebec and Ontario was estimated to increase 1% from 2001 to 8.2 MMT, the result of an improvement of 2.7 bushels per acre to 108.4 bushels per acre.

Ontario exhibited the greatest improvement in yields, with estimates up 5% from 2001 to 108.3 bushels per acre. Quebec was slightly ahead of Ontario with yields at 108.6 bushels per acre, but was down 2.0 bushels from 2001. The 10-year average corn yield is 113.2 bushels per acre in Ontario and 109.3 bushels in Quebec.

Farm stocks of corn were reported at 800,000 tonnes, up from 700,000 tonnes in 2001.

Soybean Turnaround

Despite the hot and dry summer conditions in eastern Canada, soybean yields in Quebec and Ontario have increased 52% from 2001. Production is estimated to increase 44% to 2.3 MMT, in line with the 10-year average.

Ontario yields jumped 12.8 bushels from 2001 to 33.9 bushels per acre but were still below the 10-year average of 37.0 bushels. Quebec also improved to 38.6 bushels per acre compared with 32.2 bushels in 2001. The 10-year average yield in Quebec is 41.4 bushels per acre.

Farm stocks of soybean were only 25 000 tonnes, down sharply from 85 000 tonnes in 2001.

Comments:

Sources in the industry indicate that there are potentially additional reductions in production estimates when Statistics Canada releases its next crop report on December 5 because of further crop deterioration since the September 6-14 crop survey took place. The harvest is well behind schedule and there are reports of substantial frost damage. Environment Canada weather experts are cautioning that the effects of *El Niño* this winter may result in warmer temperatures and reduced precipitation across the Prairies in the form of snowfall, further exacerbating depleted soil moisture reserves in Western Canada.

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